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SUBJECT: CAMBODIA/AI: WORLD BANK PLANS TO FUND
COMPENSATION FOR CULLED BIRDS

¶1. SUMMARY. Prime Minister Hun Sen has agreed in principle to a World Bank-funded effort to provide compensation for culling birds in areas affected by confirmed cases of H5N1 avian influenza. The proposed program would compensate small farmers approximately one dollar per bird; large commercial farmers would not be eligible for compensation. Biosecurity training would be available to all farmers in affected areas. Given that Cambodian farmers typically rush to sell sick birds before they die, an effective compensation program is a critical part of the battle against avian influenza in Cambodia. END SUMMARY.

World Bank Plan

¶2. During recent discussions between World Bank Animal Health Officer Murray MacLean and Emboffs, MacLean reported that the Prime Minister's office is sending encouraging signals about a proposed World Bank plan to compensate farmers for culled birds as a part of the Bank's approximately USD 11 million Cambodia Avian Influenza Emergency Project. The draft plan calls for small hold farmers to receive 4,000 riel (approximately one US dollar) per culled chicken or duck in accordance with pre-defined criteria. These farmers, who typically have 5-20 head of poultry, would also receive village-based bio-security training. Large commercial farmers will receive no compensation, but will receive bio-security training. Compensation for small-scale commercial duck farmers (e.g. those with 100-300 ducks in rural locations) is proving the most difficult sticking point. While these farmers do not typically have the financial resources to weather a culling of their flock, the government remains concerned about the financial implications of committing to compensation for farmers with larger numbers of animals.

¶3. The RGC's position on compensation for culled birds has been rather fluid, MacLean noted. Initially the government refused to offer compensation, then said they would prefer compensation with live chicks. Now, as a result of a visit by the World Health Organization Regional Director and a follow-up letter to the Prime Minister, the government has agreed to cash compensation. Government officials reportedly expressed frustration at donors who pressured the government to compensate farmers without offering to fully fund such an effort, fearing that they will be left holding the bag for the program after donor funds dry up. They requested that donors promise to fund a compensation system as long as avian

influenza remains in the country, but World Bank officials have told them that this would not be acceptable. MacLean noted that while one dollar per bird seems like a small amount, the associated costs of running a culling compensation program could be high. For example, the on-going surveillance program needed to investigate suspected avian flu cases and conduct the culling could run to USD 2-3 million per year.

¶4. A key component of the plan is the development of criteria for the culling of birds in areas with a confirmed H5N1 finding. Ministry of Agriculture officials will determine how far culling should extend from confirmed outbreaks. With these guidelines in place, more than 6,000 village animal health workers currently in place will explain the procedure to farmers in an effort to alleviate concerns about the program and encourage reporting of unusual die-offs among poultry. (USAID and the German government are funding training for all of the village animal health workers on conducting awareness campaigns, building trust in a community and encouraging the reporting of unusual poultry deaths, taking specimens from suspected poultry, culling and proper disposal of poultry, and using disinfectant spray. This training began in November 2005, and 1,500 workers in high risk provinces have already completed training.)

¶5. The total cost of the Cambodia Avian Influenza Emergency Project is expected to be approximately USD 11 million over three years, though MacLean noted that this could very well be extended for a fourth year. Of the USD 11 million, approximately USD 6 million will be devoted to animal health, USD 3 million to human health, and USD 2 million to pandemic preparedness activities. The World Bank is sending a Joint Appraisal Mission to Cambodia from May 15-27 to formally

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appraise the project, though post notes that the extensive efforts and favorable findings of the pre-appraisal team make it very likely that the project will be approved. Approval is expected in late June, with activities beginning shortly thereafter.

Comment

¶6. The World Bank and other multinational organizations' efforts to tackle this tricky issue are laudable and deserve US support. While there are legitimate concerns about cost and the potential for corruption, such a plan is needed to encourage farmers to report unusual poultry deaths. No reports of unusual poultry die-offs preceded either of the two human AI deaths that have occurred in the past two months. Currently, Cambodian farmers rush their poultry to market at the first sign of unusual deaths, hoping to liquidate their assets before they die. While this strategy makes sense in dealing with the relatively common Newcastle disease--in which infected poultry can be safely consumed and the virus is not transmittable to humans--it could prove disastrous in the context of avian influenza. By focusing on small farmers, the World Bank's plan avoids the potential for large-scale corruption and targets those farmers who can least afford uncompensated losses.
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